BEFORE THE
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA

IN THE MATTER OF:

PARENTS ON BEHALF OF STUDENT,

v.

STOCKTON UNIFIED SCHOOL DISTRICT.

OAH CASE NUMBER 2025060078

ORDER DENYING MOTION TO DISMISS BASED UPON SETTLEMENT AGREEMENT AND DENYING REQUEST FOR SANCTIONS

JULY 16, 2025

On June 3, 2025, Student filed a Request for Due Process Hearing, also called a complaint, with the Office of Administrative Hearings, called OAH, naming Stockton Unified School District. On July 8, 2025, Stockton filed a motion to dismiss and request for sanctions. Stockton requests to dismiss all Student's claims, based on a settlement agreement. Stockton attached the settlement agreement and a declaration in support of its motion. On July 9, 2025, Stockton filed an addendum to its motion, attaching a declaration and exhibits.

On July 11, 2025, Student filed an opposition, arguing that the issue involves disputed facts that require a hearing. On July 11, 2025, Stockton filed a reply, attaching exhibits. During a prehearing conference, called a PHC, on July 11, 2025, the parties argued the motion.

MOTION TO DISMISS

Stockton contends that based on a waiver contained in a settlement agreement, OAH lacks jurisdiction over Student's complaint and it must be dismissed in its entirety. Student contends the complaint should not be dismissed because the waiver is narrow and does not prevent Student from bringing any of the issues in the complaint.

Parents have the right to present a complaint "with respect to any matter relating to the identification, evaluation, or educational placement of the child, or the provision of a free appropriate public education to such child." (20 U.S.C. § 1415(b)(6); Ed. Code, § 56501, subd. (a).) OAH has jurisdiction to hear due process claims arising under the Individuals with Disabilities Education Act. (*Wyner v. Manhattan Beach Unified Sch. Dist.* (9th Cir. 2000) 223 F.3d 1026, 1028-1029.)

This limited jurisdiction does not include claims alleging a school district's failure to comply with a settlement agreement. (*Id.* at p. 1030.) Nor does it apply to claims facially outside OAH's jurisdiction such as claims asserting violations of the Americans with Disabilities Act (42 U.S.C. § 12131 et seq), Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794(a)(2)), or the Unruh Civil Rights Act (Civ. Code, § 51 et seq.).

In *Wyner*, the parties reached a settlement agreement in which the district agreed to provide certain services during the course of a due process hearing. The hearing officer ordered the parties to abide by the terms of the agreement. Two years later, the student filed another due process hearing alleging the district did not comply with the

settlement agreement in the first case. A hearing officer determined that the issues alleging the failure to comply with the settlement agreement in the first case were beyond its jurisdiction. This ruling was upheld on appeal. The decision in *Wyner* held that "the proper avenue to enforce Special Education Hearing Office orders" was the California Department of Education's compliance complaint procedure (Cal. Code Regs., tit. 5, § 4600, et. seq.), and that "a subsequent due process hearing was not available to address . . . alleged noncompliance with the settlement agreement and Special Education Hearing Office order in a prior due process hearing." (*Wyner, supra*, 223 F.3d at p. 1030.)

More recently, in *Pedraza v. Alameda Unified School Dist.* (N.D.Cal. 2007, No. C 05-04977 VRW) 2007 WL 949603), the District Court held that OAH has jurisdiction to adjudicate claims that allege a student was denied a free appropriate public education as a result of the violation of a mediated settlement agreement. However, a breach of a mediated settlement agreement should be addressed by the California Department of Education's compliance complaint procedure.

Here, as clarified in the July 14, 2025 order following PHC, Student raises the following issues against Stockton in the complaint:

1) Did Stockton deny Student a FAPE during the 2024-2025 school year through June 2, 2025, by:

    a) failing to timely schedule an IEP team meeting following Parents' December 5, 2024, IEP meeting request;

    b) conducting an occupational therapy assessment dated February 27, 2025 that was not legally compliant;

c) conducting a psychoeducational assessment dated April 18, 2025 that was not legally compliant;

d) conducting a speech and language assessment dated April 18, 2025 that was not legally compliant; and

e) failing to timely provide Student's education records in response to Parents' May 2, 2025 request?

Stockton's Motion to Dismiss seeks to dismiss all issues in Student's complaint. Stockton contends a June 2025, fully executed settlement agreement between Student and Stockton contains a broad, clear, and unambiguous waiver of all Student's claims through the date of Parent's signature on June 2, 2025. Stockton cites multiple paragraphs in Section 6 and language on Page 1, Paragraph D from a settlement agreement containing four signatures last signed on June 25, 2025, to support its waiver argument. At the PHC, Stockton asserted that when taken as a whole, the settlement agreement's waiver is not ambiguous and that multiple email exhibits demonstrate the parties extensively negotiated the agreement. Accordingly, Stockton argues that Student's claims contained in its June 3, 2025, complaint are barred by the waiver, and the complaint should be dismissed in its entirety.

Student contends the waiver in the settlement agreement is narrow. In its opposition, Student cites a portion of one sentence from Section 6 of a settlement agreement to support its waiver argument. The version of the settlement agreement attached to Student's opposition contains two signatures and has no dates next to the signatures. Student asserts that its cited waiver language is evidence of a narrow waiver that only pertains to issues in Student's prior case, *Laura Naranjo, Parent(s) on Behalf of Lorenzo Naranjo, Student v. Stockton Unified School District*, OAH Case No.

2025040630. Accordingly, Student asserts that issues in the present complaint are not barred by the settlement agreement. At the PHC, Student also argued that waiver language in the settlement agreement was ambiguous and that evidence outside the agreement must be considered to interpret it. Student asserts that whether the parties settlement agreement waived the instant claims is a question of fact.

Stockton's argument is interpreted as alleging OAH lacks jurisdiction to hear the claims based on the waiver it alleges was agreed to in a settlement agreement. However, in this case, the breadth, substance, and meaning of the waiver language is disputed. In their pleadings and at the PHC, Stockton and Student each cited different portions of a settlement agreement, as well as outside evidence, to support their different arguments about the breadth, substance, and meaning of the waivers. Special education law does not provide for summary judgment procedure. Here, whether the settlement agreement functions as a bar to Student's claims is a question of fact. Accordingly, the motion to dismiss is denied. Stockton retains the option of raising the settlement agreement as an affirmative defense to Student's claims at hearing.

SANCTIONS

Stockton asserts that Student's attorney filing the instant complaint was improper and frivolous because it was filed despite Student's attorney knowing that all claims had been waived and that Stockton had already agreed to provide independent educational evaluations sought by the complaint. Stockton seeks sanctions or cost shifting related to expenses incurred due to Student's filing of the complaint.

At the PHC, Student's attorney asserted the complaint was filed in good faith because the settlement agreement waiver was narrow and did not bar Student's new claims. Student also asserted that the independent educational evaluations had

intentionally been excluded from the settlement agreement, which is why Student was seeking them in the new complaint.

In certain circumstances, a Special Education Division ALJ is authorized to shift expenses from one party to another. (Gov. Code, §§ 11405.80, 11455.30; Cal. Code. Regs., tit. 5, § 3088; see *Wyner ex rel. Wyner v. Manhattan Beach Unified School Dist*. (9th Cir. 2000) 223 F.3d 1026, 1029 ["Clearly, [California Code of Regulations] § 3088 allows a hearing officer to control the proceedings, similar to a trial judge."].)

An ALJ may, "order a party, the party's attorney or other authorized representative, or both, to pay reasonable expenses, including attorney's fees, incurred by another party as a result of bad faith actions or tactics that are frivolous or solely intended to cause unnecessary delay." (Gov. Code, § 11455.30, subd. (a); Cal. Code. Regs., tit. 5, § 3088, subd. (a).) An order to pay expenses is enforceable in the same manner as a money judgment, or by seeking a contempt of court order. (Gov. Code, § 11455.30, subd. (b).)

"Actions or tactics" is defined as including, but not limited to, making or opposing motions or filing and serving a complaint. (Gov. Code, §11455.30, subd. (a); Code Civ. Proc., § 128.5, subd. (b)(1).) "Frivolous" means totally and completely without merit or for the sole purpose of harassing an opposing party. (Gov. Code, § 11455.30, subd. (a); Code Civ. Proc., § 128.5, subd. (b)(2).) A finding of "bad faith" does not require a determination of evil motive, and subjective bad faith may be inferred. (*West Coast Development v. Reed* (1992) 2 Cal.App.4th 693, 702.) However, the imposition of sanctions does require a showing that the actions were meritless or frivolous and that the action was pursued in bad faith. (*Campbell v. Cal Gard Sur. Services, Inc*. (1998) 62 Cal. App. 4th 563, 574.)

Stockton failed to meet its burden to establish Student's complaint was frivolous or meritless and filed in bad faith. Stockton and Student have alleged disputed facts regarding the waiver in the settlement agreement and its application to the instant complaint. Stockton and Student have also alleged disputed facts regarding independent educational evaluations and their application to the complaint.

A determination of bad faith is a high standard. A misunderstanding of the law, without more, does not rise to the level of a bad faith action or tactic meriting sanctions. (*Campbell*, *supra*, 62 Cal. App. 4th at p. 574.) As Stockton has not met its burden of establishing the basis for sanctions, the question of whether the amount of sanctions requested was adequately supported will not be reached.

ORDER

1. Stockton's Motion to Dismiss is denied.
2. The matter shall proceed as scheduled.
3. Stockton's motion for sanctions is denied.

IT IS SO ORDERED.

Daniel Senter

Daniel Senter
Administrative Law Judge
Office of Administrative Hearings